

## Message Text

CONFIDENTIAL

PAGE 01 BUJUMB 00005 030824Z

14

ACTION AF-06

INFO OCT-01 EUR-12 IO-10 ISO-00 INT-05 AID-05 CIAE-00

COME-00 EB-07 FRB-03 INR-07 NSAE-00 USIA-06 TRSE-00

XMB-02 OPIC-03 SP-02 CIEP-01 LAB-04 SIL-01 OMB-01

DODE-00 PM-04 H-02 L-03 NSC-05 PA-01 PRS-01 SS-15

GSA-01 /108 W

----- 097194

R 021240Z JAN 76

FM AMEMBASSY BUJUMBURA

TO SECSTATE WASHDC 5150

INFO AMCONSUL JOHANNESBURG

AMEMBASSY KIGALI

AMEMBASSY PARIS

USMISSION USUN NEW YORK

C O N F I D E N T I A L BUJUMBURA 0005

E.O. 11652: GDS

TAGS: EMIN, EAID, EINV, BY, US

SUBJECT: NICKEL DEVELOPMENT IN BURUNDI

REF BUJUMBURA 899

1. FURTHER INFORMATION CONCERNING NICKEL CONSORTIUM MEETING IN PARIS WHICH HAS COME TO EMBASSY'S ATTENTION INDICATES THAT CONSORTIUM LEADER, MAURICIE TEMPELSMAN, WAS VERY CAUTIOUS ABOUT FIRM COMMITMENT TO BURUNDI OFFICIALS ON FUTURE UNDERTAKING OF MINERALS DEVELOPMENT. APPARENTLY AS RESULT OF PARIS MEETING, DONATIEN BIHMTE, DIRECTOR GENERAL OF THE TECHNICAL STUDIES (PLANNING) BUREAU AT THE PRESIDENCY, LEFT JAN 02 FOR WASHINGTON AND NEW YORK FOR FURTHER TALKS WITH UNDP AND WORLD BANK OFFICIALS ON SUBJECT OF PROPOSED PRE-FEASIBILITY STUDY.

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 BUJUMB 00005 030824Z

2. EMBASSY HAS COPY OF MEMORANDUM SENT BY MAURICE

TEMPELSMAN TO MINISTER OF FINANCE MPOZAGARA SOMETIME DURING CONSORTIUM MEETING. IN IT, HE TOLD MPOZAGARA THAT THE CONSORTIUM PARTICIPANTS WERE OF THE UNANIMOUS OPINION THAT WHILE THE UNDP TEAM HAD PERFORMED USEFUL AND IMPORTANT WORK IN UNDERSCORING THE PRESENCE OF

NICKEL IN BURUNDI, PROOF OF THE EXISTENCE OF DEPOSITS OF SUFFICIENT VALUE TO JUSTIFY ECONOMIC DEVELOPMENT WAS NOT YET STRONG ENOUGH. FOR THAT REASON, THE CONSORTIUM SUGGESTED THAT BURUNDI REQUEST THE UNDP AND THE WORLD BANK TO GIVE PRIORITY TO THE PRE-FEASIBILITY STUDY (MEMO MENTIONS A FIGURE OF DOLS 300,000 TO DOLS 500,000 FOR THIS STUDY WHICH DOES NOT JIBE WITH DOLS 1.2 MILLION FIGURE USED HERE BY UNDP OFFICIALS).

3. CONSORTIUM MEMBERS BELIEVED, ACCORDING TO MEMO, THAT IT WOULD BE POSSIBLE FOR UNDP TO SUBCONTRACT THE WORK TO INDEPENDENT CONSULTANTS. EMBASSY UNDERSTANDS FROM SEPARATE SOURCE THAT TEMPELSMAN HAS IN MIND THE RALPH PARSONS FIRM OF PASADENA, CALIFORNIA, TO DO ANY SUBSEQUENT FEASIBILITY STUDY WHICH MIGHT RESULT FROM PRE-FEASIBILITY STUDY AND IS URGING UNDP TO ALSO USE PARSONS FOR THE PRE-FEASIBILITY STUDY.

4. MEMO CONTINUES THAT UNTIL THE PRE-FEASIBILITY STUDY DEMONSTRATES WITH REASONABLE CERTAINTY THAT THE NICKEL DEPOSITS JUSTIFY THE EXPENDITURE OF DOLS 2-3 MILLION FOR A TWO YEAR FEASIBILITY STUDY AND OUTLINES THE METALLURGICAL PROCESSES AND FINAL PRODUCTS, IT WOULD NOT BE WISE TO (1) ENGAGE IN SUPPLEMENTARY EXPENDITURES OR SEEK FINANCING OF THE PROJECT; (2) CHOOSE EITHER A TECHNICAL OPERATOR OR PARTNER FOR THE PROJECT OR THE COMPANY WHO WILL DO THE FEASIBILITY STUDY; AND (3) SIGN A CONVENTION.

5. THE MEMO SAYS THAT DURING THE PERIOD WHEN THE PRE-FEASIBILITY STUDY IS BEING CONDUCTED, HOWEVER, THE CONSORTIUM MEMBERS WILL CONSIDER A DRAFT CONVENTION TO PRESENT TO THE GOVERNMENT IF THE INITIAL STUDY IS POSITIVE AND WILL COOPERATE WITH THE GOVERNMENT IN ITS SEARCH FOR BILATERAL FINANCING IF NECESSARY FOR THE FOLLOW UP STUDIES.  
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 BUJUMB 00005 030824Z

6. AN ANNEX TO THE MEMO GIVES WHAT THE CONSORTIUM BELIEVES NECESSARY TO ACCOMPLISH IN THE PRE-FEASIBILITY STUDY. (EMBASSY IS POUCHING TEXT OF MEMORANDUM AS WELL AS PRESS RELEASE ISSUED DEC 12 IN PARIS BUT NOT YET RELEASED HERE.)

7. COPY OF PARIS PRESS RELEASE INDICATES THAT PARTICIPANTS DID NOT INCLUDE JAPANESE AS INDICATED IN INFORMATION

REPORTED REFTEL. PRESS RELEASE NAMES PARTICIPANTS  
AS REPRESENTATIVES OF GERMAN, ITALIAN, FRENCH, BELGIAN,  
ROMANIAN, CANADIAN, AND U.S. COMPANIES AS WELL AS UNDP  
AND WORLD BANK. PRESS RELEASE ALSO INDICATES THAT THE  
CONSORTIUM MEMBERS AT THEIR EXPENSE WILL ESTABLISH A  
TECHNICAL COMMISSION COMPOSED OF SPECIALISTS WHO WILL  
REPRESENT THE INTERESTS OF THE PARTICIPANTS DURING THE  
UNDP PRE-FEASIBILITY STUDY.

ISOM

CONFIDENTIAL

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** NICKEL, MINING INDUSTRY, CONSORTIUMS, DEVELOPMENT PROGRAMS, MEETINGS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 02 JAN 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** CunninFX  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1976BUJUMB00005  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Film Number:** D760001-1206  
**From:** BUJUMBURA  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1976/newtext/t19760191/aaaadcks.tel  
**Line Count:** 124  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION AF  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:** n/a  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
**Reference:** 76 BUJUMBURA 899  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** CunninFX  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 16 APR 2004  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <16 APR 2004 by SmithRJ>; APPROVED <16 AUG 2004 by CunninFX>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
04 MAY 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** NICKEL DEVELOPMENT IN BURUNDI  
**TAGS:** EMIN, EAID, EINV, BY, US  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006